



**Banswara Syntex Ltd**

**Investor Presentation**

February 2022



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## Q3 & 9M FY22 Highlights



# Key Developments

1

Proportion of the high margin value-added business (Fabric and Garments) has increased to 49% of the total sales in Q3FY22 as compared to 47% in Q2FY22

2

Demand from Export market increased marginally during the current quarter led by faster recovery from COVID in European and Middle east markets. Share of Exports increased to 44% in Q3FY22 from 40% in Q2FY22

3

For Q3FY22, the capacity utilization for Fabrics and Garments increased from 67% and 51% in Q2FY22 to 71% and 54% in Q3FY22 while it was stable at 90% for Yarn

4

During Q3FY22, there was marginal increase in the % of RM consumption to the production value as compared to Q2FY22 due to increase in prices of primary raw materials - Polyester and Viscose upto 10%. Company is focusing on passing them on to the customers, wherever possible

5

The Company is regular in repayment of its debts as per stipulated conditions. During the period, the Company has availed disbursement of Rs. 11.15 Crores towards the capex and repaid Rs. 33.41 Crores as per schedule

# Standalone Profit and Loss Statement



Rs. in Crs.	Q3 FY22	Q2 FY22	QoQ	9M FY22	9M FY21	YoY
<b>Revenue from Operations</b>	<b>303.2</b>	<b>307.0</b>	<b>-1.2%</b>	<b>822.4</b>	<b>532.5</b>	<b>54.4%</b>
Other Income	4.7	5.1		11.4	7.7	
<b>Total Income</b>	<b>307.9</b>	<b>312.0</b>	<b>-1.3%</b>	<b>833.8</b>	<b>540.2</b>	<b>54.3%</b>
Total Expenditure	274.5	277.4		746.2	487.5	
Raw materials Cost	128.3	144.6		359.1	259.6	
Employee Expense	55.1	56.1		158.2	103.3	
Power & Fuel	48.6	35.1	38.4%	112.9	48.5	
Other Expenses	42.4	41.5		116.0	76.0	
<b>EBIDTA</b>	<b>33.4</b>	<b>34.6</b>	<b>-3.5%</b>	<b>87.6</b>	<b>52.7</b>	<b>66.2%</b>
Margin %	10.8%	11.1%		10.5%	9.8%	
Depreciation	10.3	10.8		32.0	35.6	
Finance Cost	6.4	5.9		18.2	25.8	
Exceptional Item (Gain) / Loss	-1.1	-1.7		-2.6	-3.0	
<b>PBT</b>	<b>17.8</b>	<b>19.6</b>	<b>-9.4%</b>	<b>40.0</b>	<b>-5.7</b>	
Tax	5.6	7.9		12.7	-2.8	
<b>PAT</b>	<b>12.2</b>	<b>11.7</b>	<b>4.3%</b>	<b>27.3</b>	<b>-2.9</b>	
PAT Margin %	4.0%	3.8%		3.3%	-0.5%	
<b>EPS (Rs)</b>	<b>7.2</b>	<b>6.9</b>		<b>15.9</b>	<b>-1.7</b>	

Power and fuel cost increased due to global coal crisis as well as rampant price rises due to limited supplies.

The company is currently operating only one power plant of 15 MW capacity. The second power plant is kept idle due to Grid power being more cost effective.

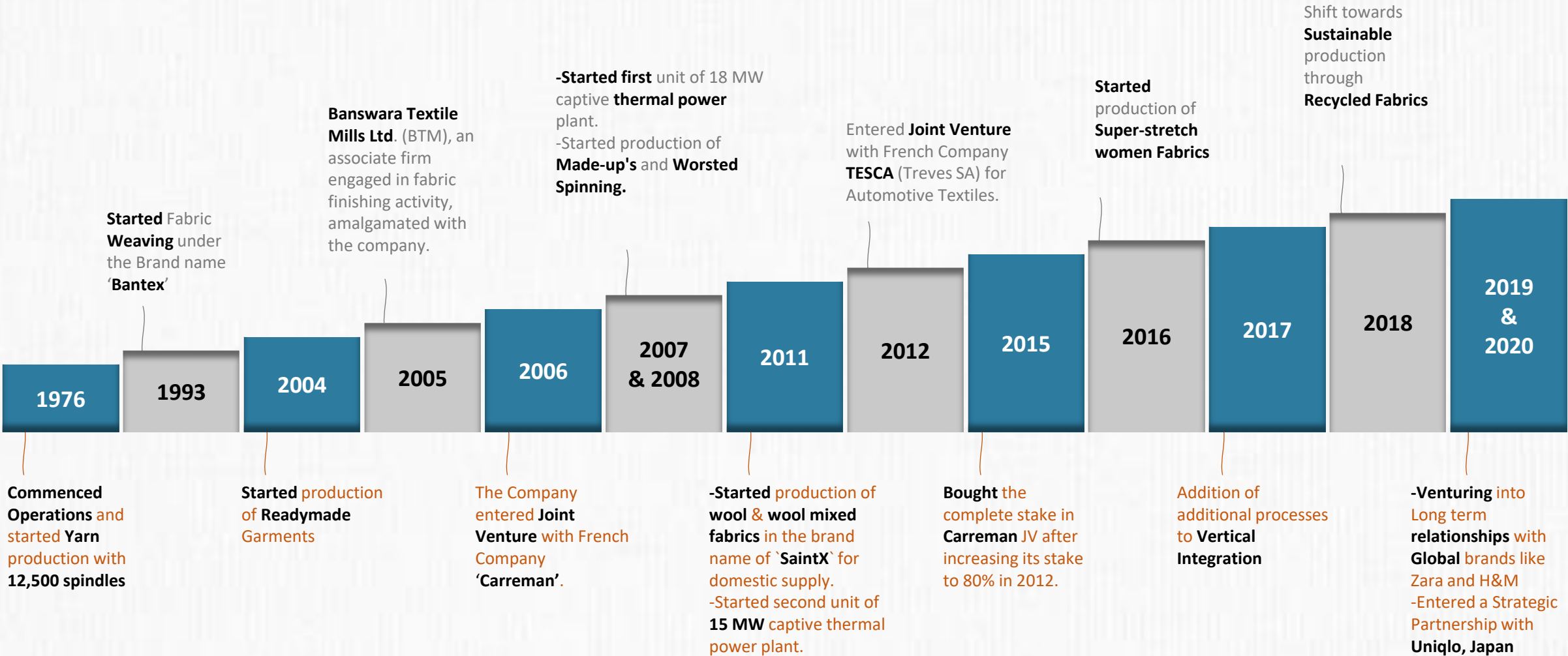




## About US

**Our Specialty is Value Added Textiles**

# Our Journey





# Our Global Footprint



Incorporated in the year 1976  
Offering Vertically Integrated  
textile solutions

**9,000+** Employees

**In House R&D and State of  
the art facilities**



**Experienced Design Teams  
Design Studio in Collaboration  
with Italy and France**

**Consistent Dividend payout  
since 2004-05**

  
**Exports to over 65+ countries across  
the Globe**

  
**Long-Term Relationship with  
Leading Global and Domestic  
players**

  
**Global Customer Accreditations  
and Quality Certifications**

  
**JV with TESCA of France for  
Automotive fabrics**



# Manufacturing Capabilities



Dyeing Unit



Spinning Unit



Weaving Unit



Garmenting Unit



**YARN**

**3,060** Tonnes / month

**Rs. 274 Crs.**



**FABRICS**

Weaving- **2.7Mn** Meters/ month  
Processing- **4.5Mn** Meters/ month

**Rs. 192 Crs.**



**GARMENTS**

**3,25,000** Trouser & Suiting's/ Month  
**80,000** Jackets & Waste Coats/ month

**Rs. 57 Crs.**



**POWER GENERATION**

**33 MW** / Year (18 MW + 15 MW)

**Rs. 51 Crs.**

**The Company owns**

- 1,59,000 Spindles
- 400 Looms

Over Rs. 574 crores towards expansion and modernization between FY 2010 – March 2020

# Strategically Located Facilities



*Manufacturing Facilities' proximity to raw material suppliers ensures **stable and sustainable supply***

*Also ensures **strong relationship with suppliers** with maintaining **need-based approach***

*Easy Availability of **skilled and Unskilled labour***

*Better Infrastructure connectivity through Rails, Roads and Ports ensures **seamless dispatches to domestic markets and exports***



# Leadership Team

## Late Shri. Toshniwal Founder Chairman

- Founded the Company in the year 1976. Masters in Textiles from Leeds University, UK. 55 years of experience in the textile industry.
- Ex-Chairman of Rajasthan Textile Mills Association, Ex-President of Indian Spinners Association and Ex-Chairman of the Synthetic & Rayon Textile Export Promotion Council (SRTEPC)
- Besides Banswara Syntex Ltd., he was a member of the Board of Directors of many other Companies.



Mr. Rakesh Mehra  
Chairman

- Chartered Accountant from ICAI
- 34 years experience in Textile Industry
- Responsible for the entire commercial and financial activities with an emphasis on yarn Export and Automotive Fabric Business
- Holds the position of Chairman of SRTEPC



Mr. Ravindra Kumar Toshniwal  
Managing Director

- B.Tech (Chem.) from IIT, Mumbai
- Undertaken OPM Course of Harvard University, USA
- 33 years of experience in the Textile Industry
- Responsible for the overall activities of the company with an emphasis on Fabrics Business
- Involved in Development of Robust MIS systems to assist in Decision making



Mr. Shaleen Toshniwal  
Joint Managing Director

- Business Management from Bentley College, USA
- Over 17 Years of experience in Textile Industry
- Responsible for Readymade Garment business, Thermal Power Plant operations and HR strategy of the Company.

# Board of Directors

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**Mr. Rakesh Mehra**

Chairman

**Mr. Ravindra Kumar Toshniwal**

Managing Director

**Mr. Shaleen Toshniwal**

Joint Managing Director

**Mr. Parduman Kumar**

Independent Director

**Mr. D P Garg**

Independent Director

**Mr. J. M. Mehta**

Independent Director

**Mr. Vijay Mehta**

Independent Director

**Mr. Kamal Kishore Kacholia**

Independent Director

**Dr. S B Agarwal**

Independent Director

**Mr. Vijay Kumar Agarwal**

Independent Director

**Mr. David Vlerick**

Independent Director

**Dr. Vaijayanti Pandit**

Independent Director





# Business Segments



# Yarn Business – The Building Block



## Preferred Partner for the quality Focused Customers for Synthetic Blended Yarns

**Multi-specialty Yarn Range**  
with functional features

**36,720 TPA Capacity**

**Stretch Yarns** for weaving using  
**branded lycra** and non-branded elastane

**Production of Blends**  
of viscose staple fibre, polyester staple fibre,  
acrylic staple fibre, lycra, cotton, linen, etc.

**Received Globally Recognized Certifications**  
including– GRS (Global Recycled Standard),  
Oekotex, Environmental Safety besides QMS,  
ISO & Social Compliance

**Use of high-end Fibers**  
from globally accredited suppliers and brands like  
Green Gold, Unifi, Liva, Eco Vero, Radianza  
and Durashine

Post CoVID-19, and things settling down,  
the Company expects to clock  
**Revenues of ~Rs.475 crores** during **FY22**  
and expects a **CAGR of 5% YoY** thereon

## GROWTH DRIVERS



More brand approvals and brand  
associations for better profitable &  
sustainable quantities over the longer period



Getting into Niche markets with  
Product re-engineering



Getting into volume markets with newer  
products with better quality standards to  
create product differentiation



Planning for yarns for medical  
textiles and technical textiles



# Fabric Business – The Growth Engine







Company is Focusing on High-Quality & Performance Fabrics

Current Presence	Expansion in Value Added Fabrics	Leveraging our Advantages
<ul style="list-style-type: none"> <li>Worsted</li> <li>Wool Specialties</li> <li>Viscose</li> <li>PV</li> <li>PV Lycra</li> <li>Cotton Suiting</li> <li>Shirting</li> <li>Technical Textiles</li> <li>Automotive Textiles</li> </ul>	<ul style="list-style-type: none"> <li>Stretch Fabrics for suiting and pants</li> <li>Fabrics for Jackets and Blazers for formal and semi formal wear</li> <li>Fancy jacquard fabrics</li> <li>Technical textiles</li> <li>Automotive textiles</li> </ul>	<ul style="list-style-type: none"> <li>In-House Design Studio for Fabric Design and Development in India and Paris</li> <li>Strong Marketing capabilities in the Global Market Space</li> <li>Global delivery capabilities</li> </ul>

## Our Goals

- Newer Markets and Geographies like Japan and Korea
- Widening our customer base across geographies
- World Class Product Development
- Shortening Lead Times by increasing our points of delivery

Company sees favorable opportunities in Production of Comfort Fabric

- 
**Flexibility in Production** due to Best-in-class technology and state-of-art machineries
- 
**Specialized In-house Yarn** production ensure seamless flow of Raw materials
- 
**Reliability and Trust** amongst big customers like **Peerless Clothing, Next UK and Uniqlo** due to our constant endeavor to deliver quality goods
- 
**Constant R&D** for developing value-added products to create value for both **global** and **domestic client** base
- 
**Expertise in Production** of Bi-stretch and Knitted Fabrics
- 
**Versatile Product Mix** providing a competitive edge

# Fabric Business – Growth Plan



**The Company Aims to be the Market Leader in Bi Stretch Fabrics**

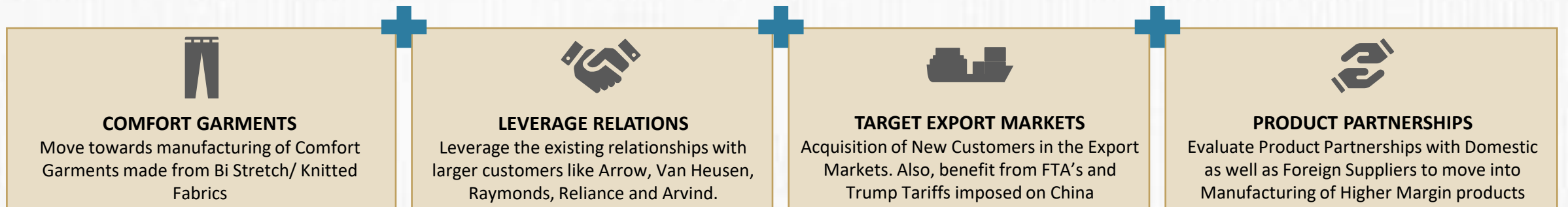


# Garment Segment – Value Addition Division

Garments is one of the Fastest growing segments in the Textile Industry



## GROWTH DRIVERS



# Riding the Fast Fashion Wave



## Requirements of Fast Fashion

It is fuelled by advances in technology, automation

It depends on the conversion of precise and continuous data into strategic decisions

Profound difference in the supply chain compared to traditional retail



## Our Capabilities

Design houses in France & Italy as well as India to accurately forecast trends in the West and Asia

Understand global aesthetics and ensure world class product development

Ability to keep up with multiple cycles of refreshed in-store collections



## Our Focus Areas

Maintain a high grade of quality even at shortened lead times

Low inventory levels in line with low in store inventories of fast fashion players

Improve in-house logistics

**Our Goal: To be the PREFERRED SUPPLIER to our Customers**



# Domestic Clientele



## E-Commerce Clients



# International Clientele

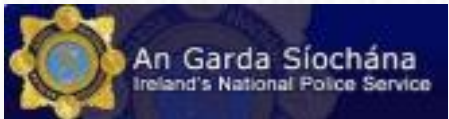
Working with some of the world's biggest names



PHILLIPS-VAN HEUSEN CORPORATION



Korea and Japan





# CSR Activities

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Creation of garden in Banswara to provide locals with a means of recreation

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Cleaning of lake near the garden to increase the Oxygen level of the water body. This has helped in the reduction of mosquitos and has brought back migratory birds

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Creation of a walking path of 5 KM along the edge of the lake to promotes physical health and well-being of the people of Banswara

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Creation of a learning center for migratory birds thereby developing in Educational Interest of Banswara people

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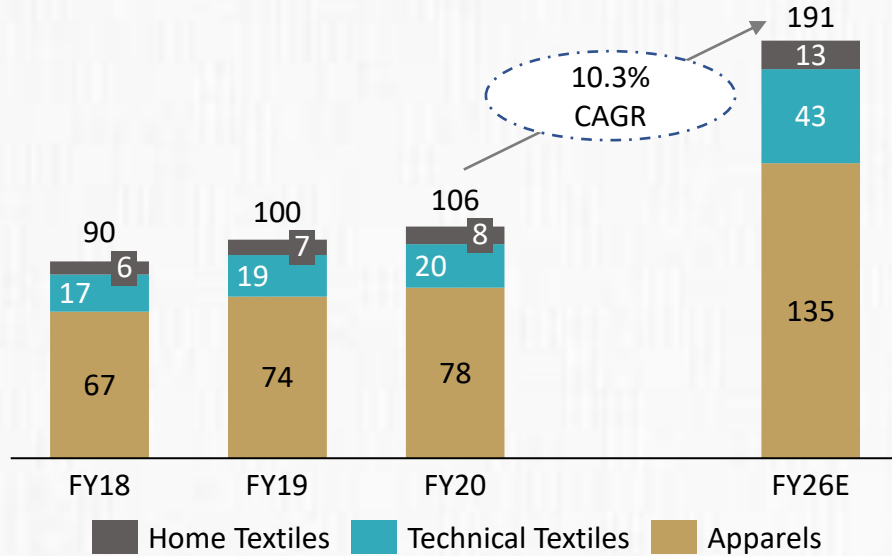
# Strategic Focus & Outlook





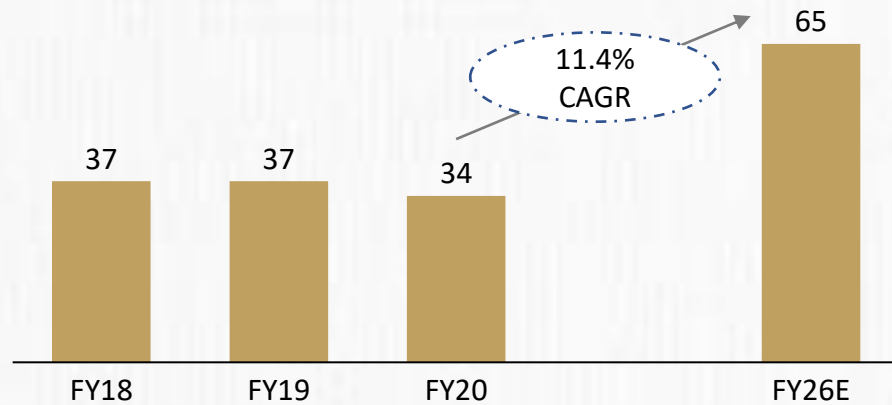
# Industry expected to grow at ~11% CAGR over the next 5 years

## Indian Domestic Apparels and Textiles Market (USD bn)



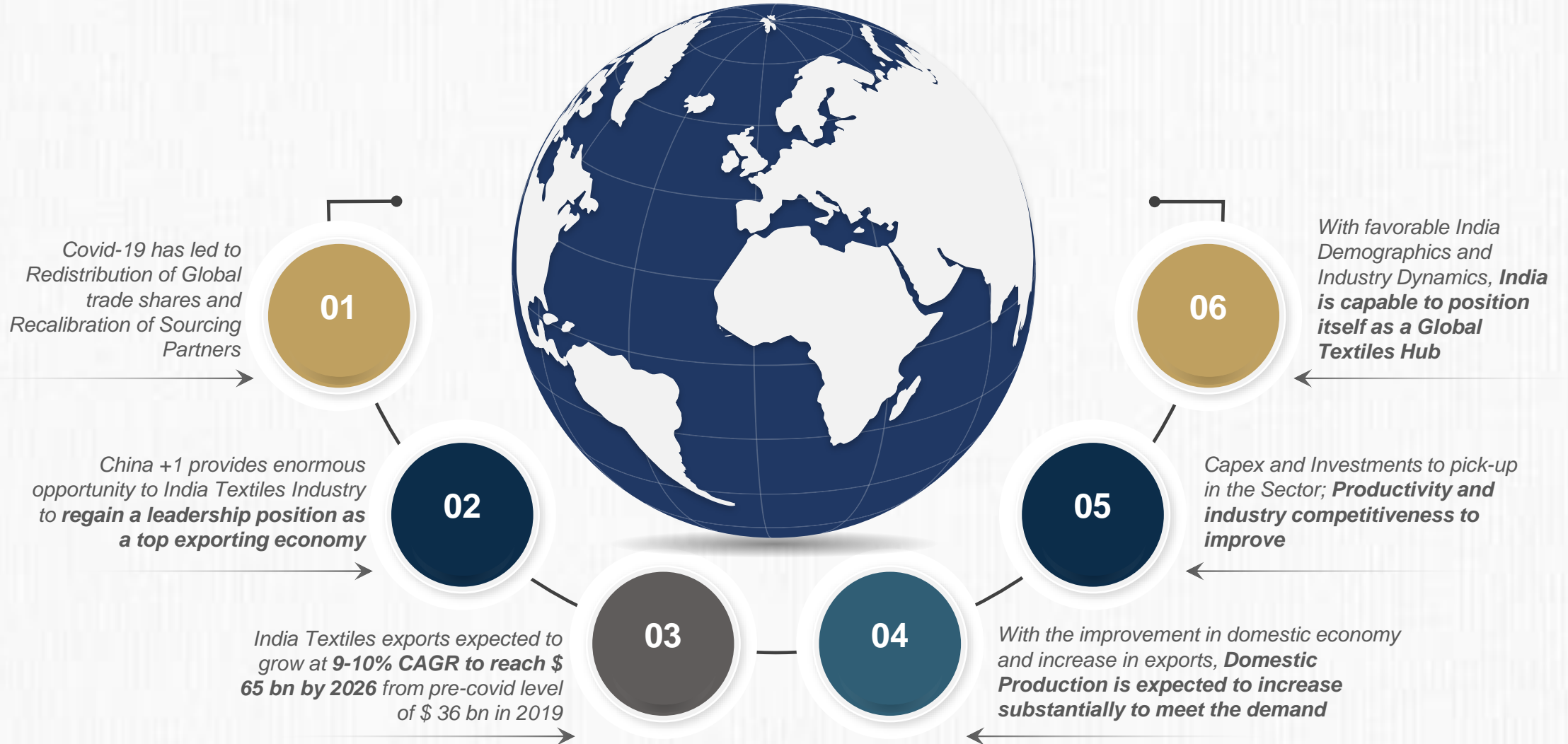
- Domestic textile and apparel industry faced a range of challenges post covid induced lockdowns; fall in retail sales, logistical disruptions, manufacturing shutdown and cancellation of orders
- However, post easing of the lockdowns, Industry recovered from these challenges
- The pace of recovery varied across the apparel categories mostly from low demand of occasional wear and formal wear, towards increased demand of casual wear, loungewear and inner wear due to the work from home culture.

## Indian Apparels and Textiles Exports (USD bn)

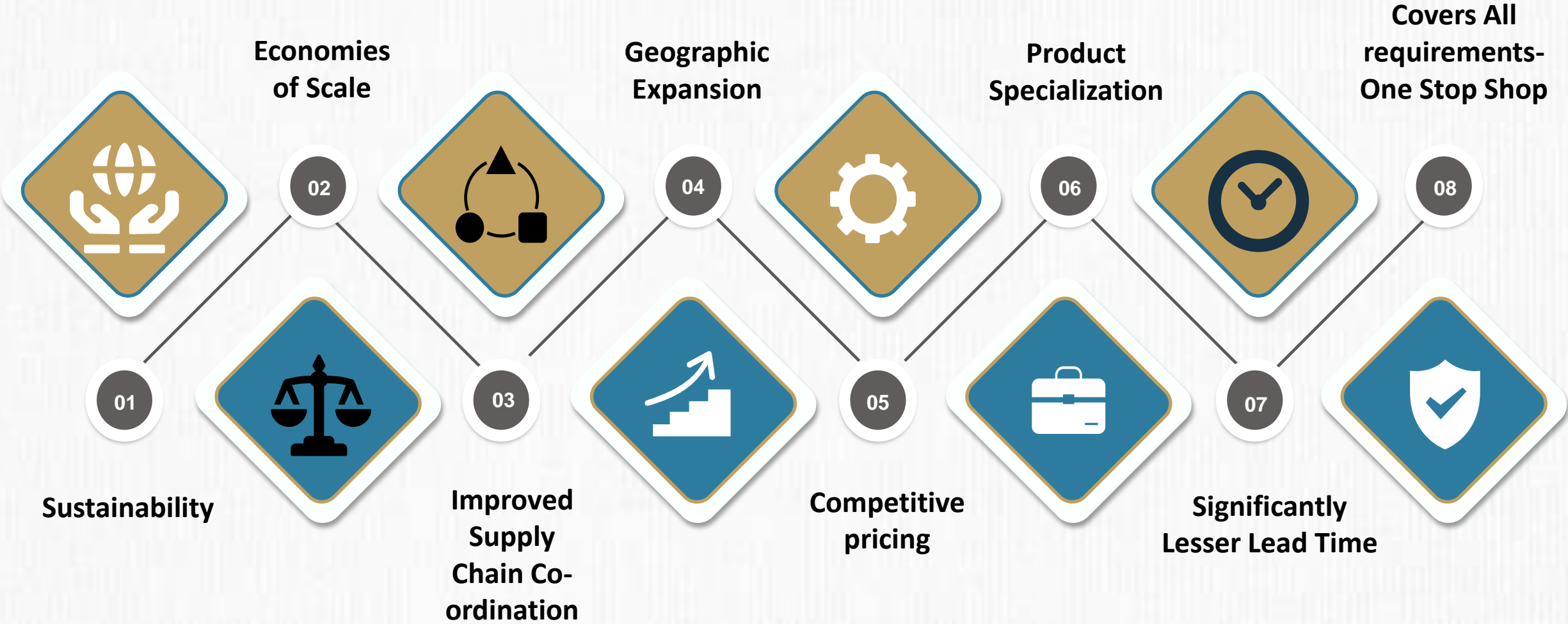


- Indian domestic textiles and Apparel market is expected to grow at ~10% CAGR over FY20-26E to USD 190 bn
- Indian textile and apparel exports expected to grow at ~11% CAGR over FY20-26E to USD 65 bn

# China +1 provides huge opportunity for Indian Textiles Industry



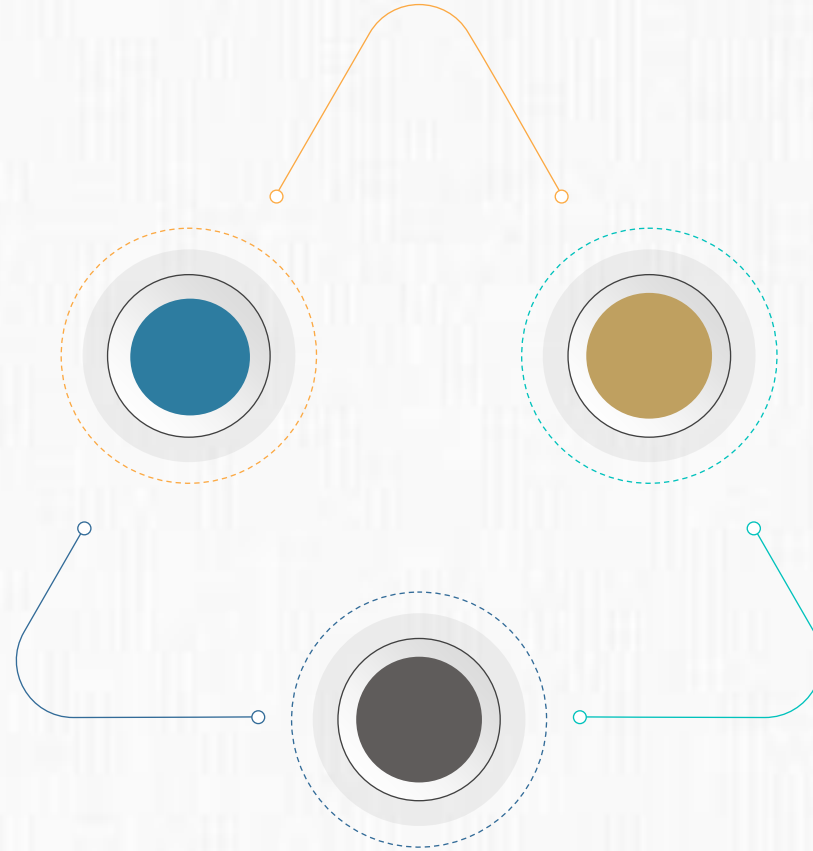
# Vertical Integration - A Game Changer for Banswara





## Improvement in Capacity Utilization

- Demand improvement across textile value chain across domestic and International markets
- Order book visibility is high in fabrics & garments segments
- Target to increase own yarn consumption in fabrics



## Increase in Value Added Products

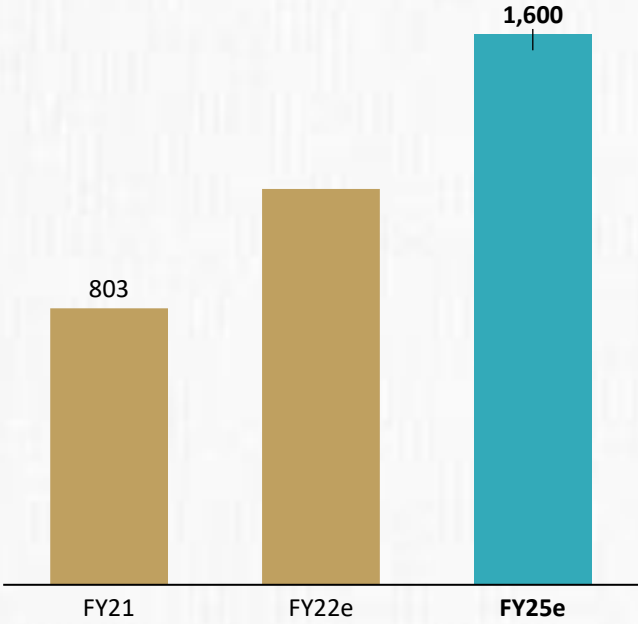
- Structural shift in demand towards quality fabrics
- Target to increase own yarn consumption in fabrics
- Product mix to move favorably towards value added products; to improve overall realization

## Cost Optimisation Measures

- Switched to grid power as thermal power cost has increased
- Looking to increase usage of solar power and targeting zero thermal power usage
- Improvement in productivity per person led to manpower cost opt capacity would help the company in significant cost savings
- Optimized travel, advertising costs
- Plants' strategic location ensures RM & Freight cost optimisation
- Increase in capacity utilization to reduce overall fixed expenses (as % of sales)

# Shift from Yarn to Garment

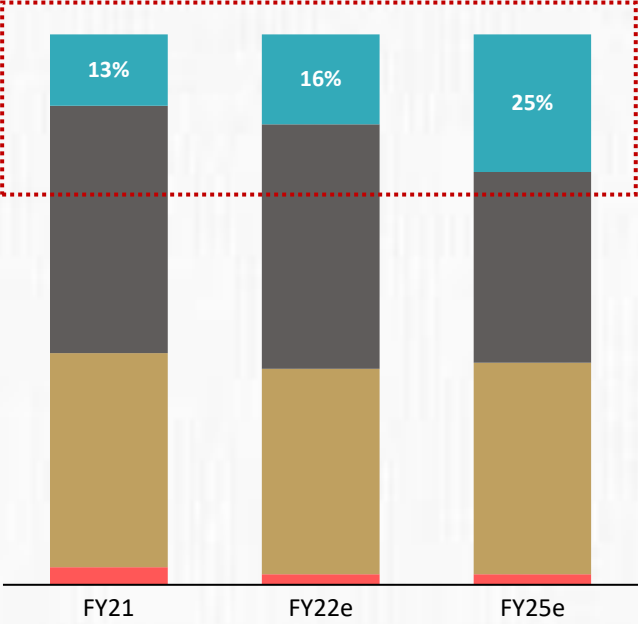
Revenues



CAGR 19%

Note: Revenues and EBITDA includes other income

Revenue Breakup



Garments Yarn Fabric Others

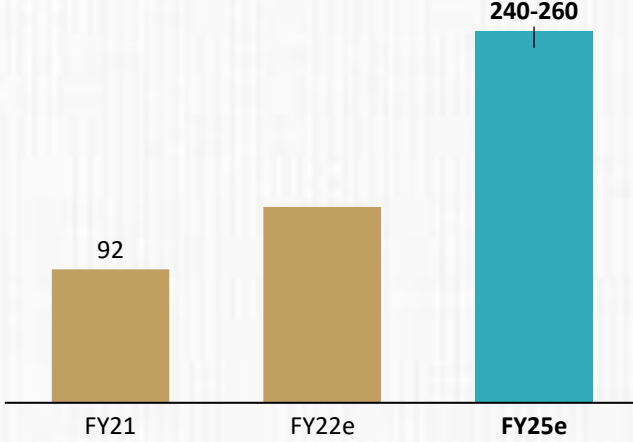
Target is to increase revenue contribution from **Garments Segment**

Banswara is well placed to capitalize its design & manufacturing capabilities to cater fast fashion market

EBITDA



Expected Margin Increase of ~100 bps on a yearly basis



CAGR 25% - 35%

# Why Banswara Syntex Limited?

Investment  
Rationale



**Modernized  
Outlook to  
Textiles and  
Fashion**



**Skilled Design  
and Marketing  
Teams**



**Competent  
Leadership  
Team**



**Transition to  
Value Added  
Products**



**Focus on  
Export and  
Domestic  
Markets**



**Vertically  
integrated  
business**



**Consistently  
Lowering Debt**



**40+ years of  
Industry  
Experience**







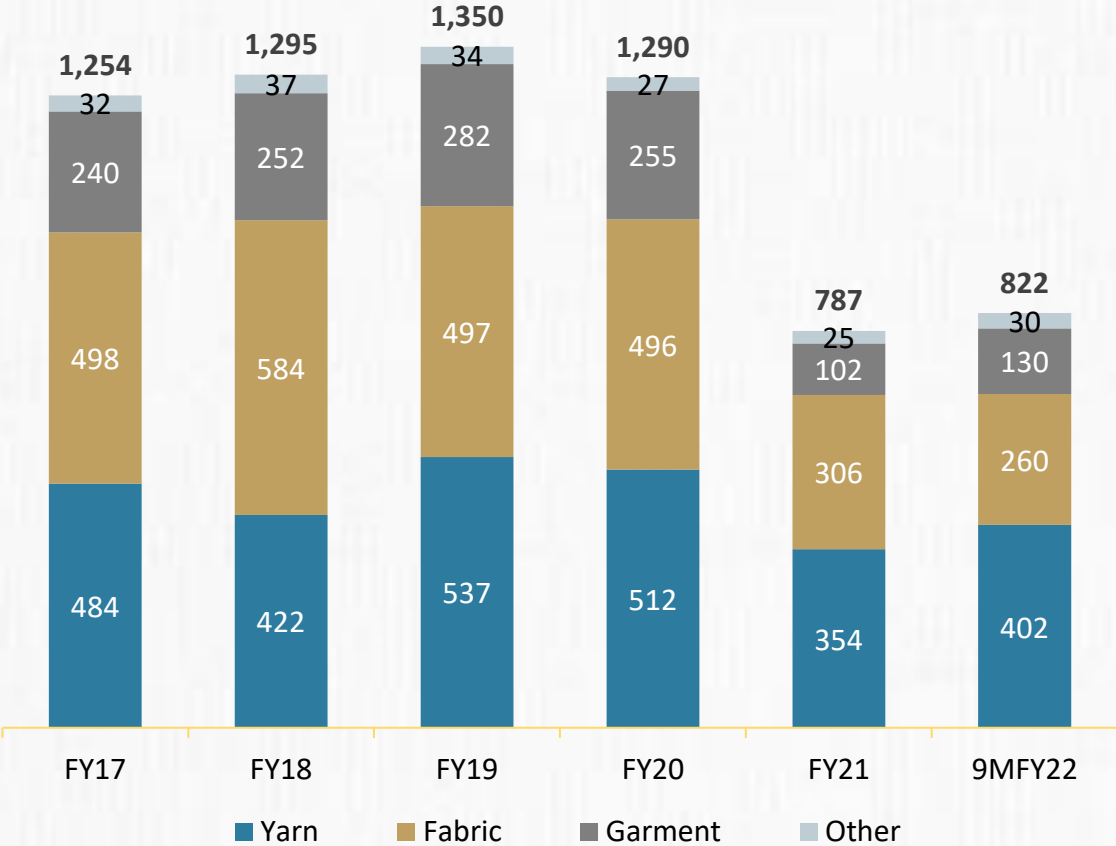
# Financials



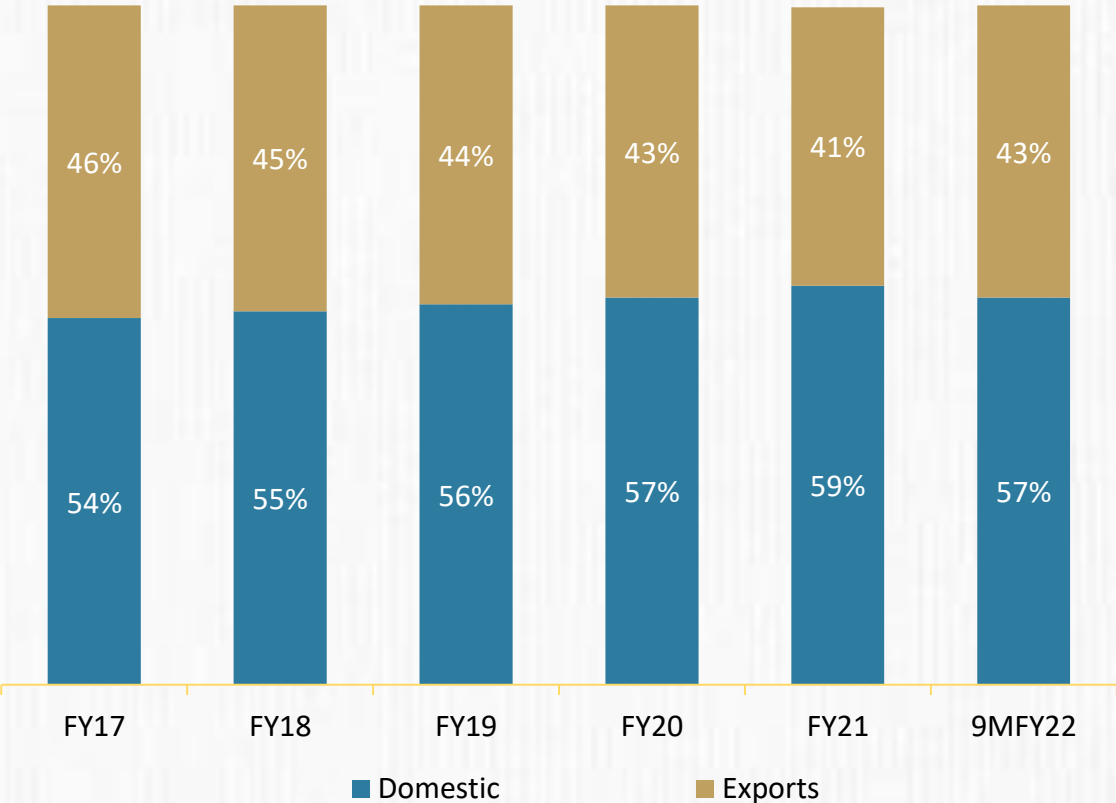
# Revenue Mix – Segmental and Geography wise



**Division-Wise Gross Revenue (Rs. in Crores)**



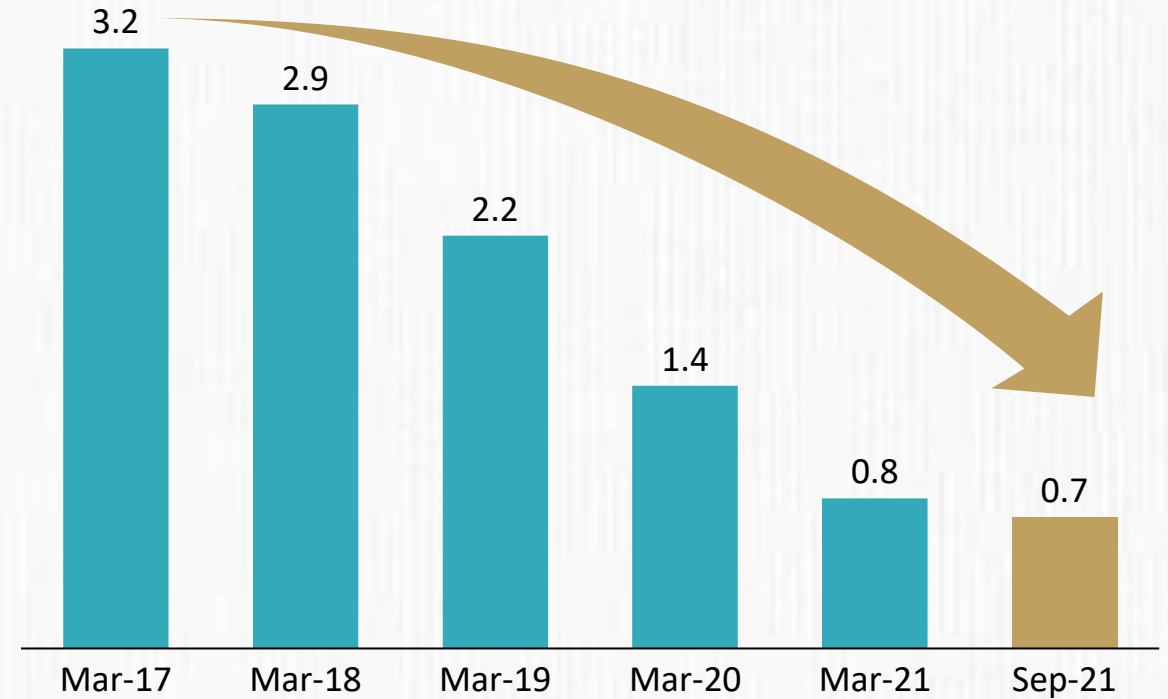
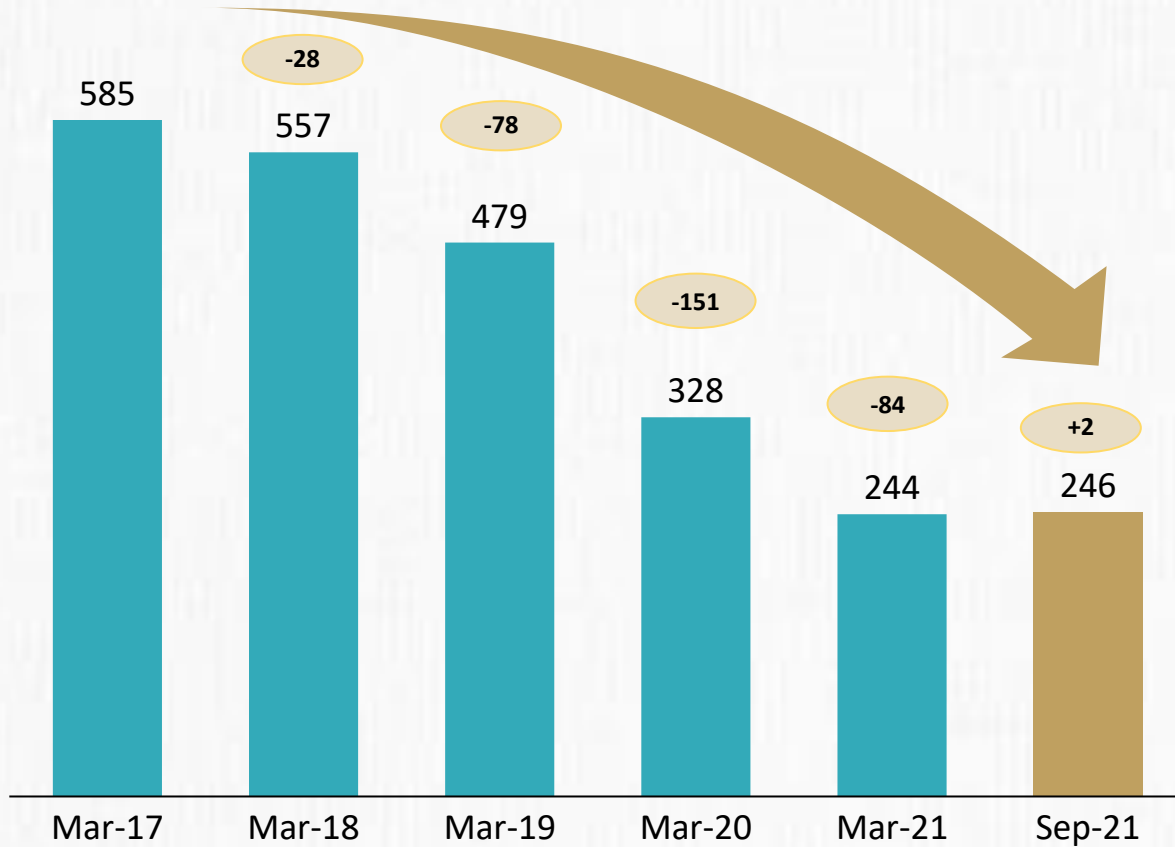
**Geography-wise Gross Revenue (Rs. in Crores)**



# Improving Balance Sheet

Net Debt (Rs. Crores)

Debt-Equity Ratio



Debt-Equity Ratio= Total Debt / Total Shareholders funds

**The company has reduced its net debt by Rs 339 crores over the last 4.5 years**



# Standalone Profit and Loss Highlights

Rs. in Crs.	9M FY22	FY 21	FY20	FY 19
<b>Revenue from Operations</b>	<b>822.40</b>	<b>786.62</b>	<b>1,289.50</b>	<b>1,350.93</b>
Other Income	11.37	16.22	12.86	13.58
<b>Total Income</b>	<b>833.77</b>	<b>802.84</b>	<b>1,302.36</b>	<b>1,364.51</b>
Total Expenditure	746.15	710.77	1,145.30	1,230.74
Raw materials	359.13	375.09	601.30	667.72
Employee Expense	158.17	153.14	241.72	236.91
Power & Fuel	112.85	73.71	119.43	131.02
Other Expenses	116.00	108.83	182.85	195.09
<b>EBITDA</b>	<b>87.62</b>	<b>92.07</b>	<b>157.06</b>	<b>133.77</b>
<i>EBITDA Margin %</i>	<i>10.51%</i>	<i>11.47%</i>	<i>12.06%</i>	<i>9.80%</i>
Depreciation	31.96	46.47	51.20	54.87
Finance Cost	18.24	32.56	48.72	56.4
Exceptional Item (Gain) / Loss	-2.63	3.3	0.44	-2.99
<b>PBT</b>	<b>40.04</b>	<b>16.34</b>	<b>57.57</b>	<b>19.51</b>
Tax	12.74	2.41	4.19	-4.64
<b>PAT</b>	<b>27.29</b>	<b>13.93</b>	<b>53.38</b>	<b>24.14</b>
<i>PAT Margin %</i>	<i>3.27%</i>	<i>1.74%</i>	<i>4.10%</i>	<i>1.77%</i>
<b>EPS (Rs)</b>	<b>15.94</b>	<b>8.14</b>	<b>31.19</b>	<b>14.11</b>

# Standalone Balance Sheet



Asset (Rs. in Crores)	Sep-21	Mar-21	Mar-20	Mar-19
<b>Non-current assets</b>	<b>350.66</b>	<b>360.27</b>	<b>393.64</b>	<b>433.91</b>
Property, Plant & Equipment	315.71	334.74	370.68	413.56
Capital Work in progress	4.90	0.27	0.59	0.05
Intangible assets	2.72	2.93	3.33	4.10
Intangible Assets under development	0.25	0.41	-	-
Financial Assets				
Investments	2.88	2.88	3.60	3.60
Loans	0.00	2.81	2.10	2.41
Others	8.37	3.39	3.82	2.82
Other non current assets	15.83	12.84	9.52	7.37
<b>Current assets</b>	<b>438.52</b>	<b>393.20</b>	<b>459.06</b>	<b>552.46</b>
Inventories	219.34	196.46	237.48	287.91
Financial Assets				
Investments	0.04	0.03	0.10	0.18
Trade receivables	143.47	114.98	140.15	163.42
Cash & cash Equivalent	5.48	7.71	3.55	8.06
Other bank balance	8.93	6.69	9.37	9.59
Loans	0.83	0.65	4.90	1.5
Others	17.23	14.67	14.88	20.59
Other current assets	43.20	52.01	48.64	61.22
<b>Total Assets</b>	<b>789.18</b>	<b>753.46</b>	<b>852.70</b>	<b>986.38</b>

Equity & Liabilities (Rs. in Crores)	Sep-21	Mar-21	Mar-20	Mar-19
<b>Equity</b>	<b>370.18</b>	<b>357.37</b>	<b>341.86</b>	<b>294.44</b>
Equity share capital	17.12	17.12	17.12	17.12
other equity	353.06	340.25	324.75	277.33
<b>Non-current liabilities</b>	<b>145.00</b>	<b>172.09</b>	<b>136.41</b>	<b>184.69</b>
Financial Liabilities				
Borrowings	114.05	137.52	97.03	140.39
Long term Provision	2.31	1.66	5.24	3.63
Deferred tax Liabilities (tax)	23.16	27.02	27.77	33.50
Government Grant	5.48	5.89	6.37	7.17
<b>Current liabilities</b>	<b>274.00</b>	<b>224.01</b>	<b>374.42</b>	<b>507.25</b>
Financial liabilities				
Borrowing	110.91	33.93	163.15	279.51
Trade payable	118.24	92.5	104.36	132.61
Other Financial liabilities	11.22	63.23	69.26	57.02
Other current Liabilities	27.46	31.19	34.29	32.36
Government Grant	0.82	0.82	0.80	0.80
provisions	0.66	0.81	2.58	3.81
Current tax Liabilities (Net)	4.70	1.53	-	1.14
<b>Total Liabilities</b>	<b>789.18</b>	<b>753.46</b>	<b>852.70</b>	<b>986.38</b>

# Standalone Cash Flow

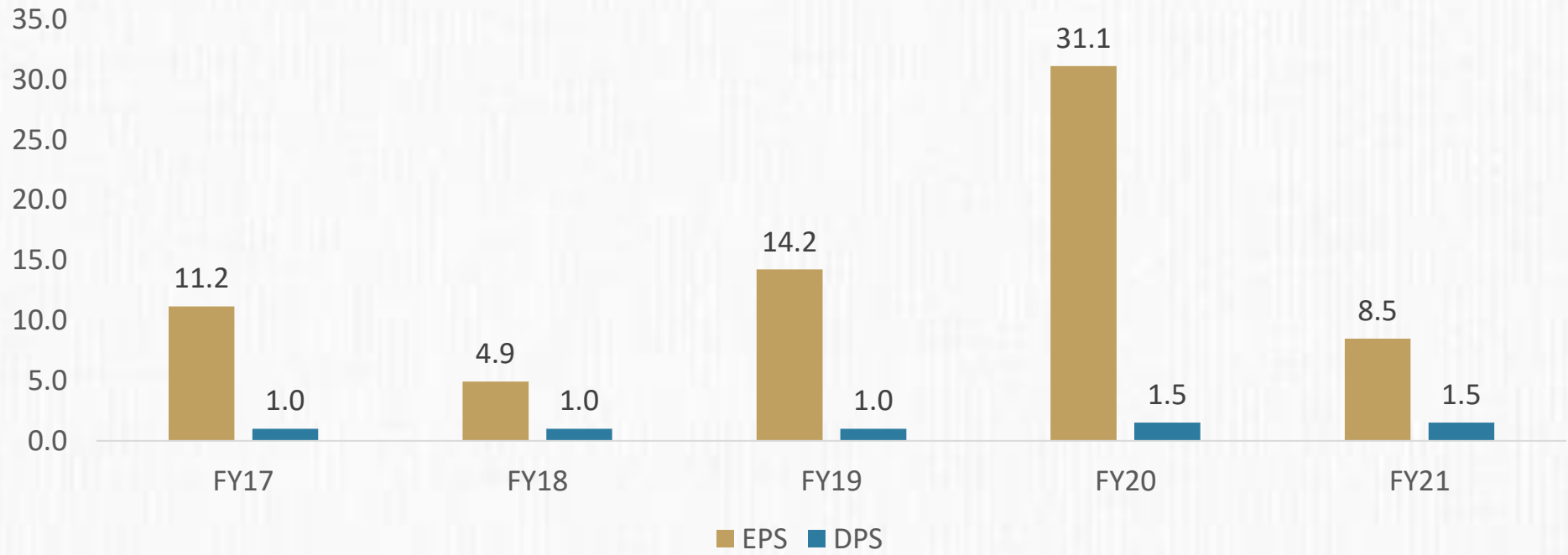
(Rs. in Crores)	Sep-21	Mar-21	Mar-20	Mar-19
Operating profit before working capital changes	54.42	89.83	150.67	133.72
Changes in working capital	-23.84	45.27	65.45	6.60
Cash generated from operations	30.58	135.10	216.12	140.32
Income Tax Refund/(Direct Taxes Paid)	-8.06	-2.66	-10.76	-3.04
<b>Net Cash from Operating Activities (A)</b>	<b>22.52</b>	<b>132.43</b>	<b>205.36</b>	<b>137.28</b>
<b>Net Cash from Investing Activities (B)</b>	<b>-8.52</b>	<b>-2.57</b>	<b>-3.83</b>	<b>-9.88</b>
<b>Net Cash from Financing Activities (C)</b>	<b>-16.23</b>	<b>-125.71</b>	<b>-206.04</b>	<b>-123.04</b>
<b>Net Change in cash and cash equivalents</b>	<b>-2.22</b>	<b>4.16</b>	<b>-4.51</b>	<b>4.36</b>
Cash & Cash Equivalents at the Beginning of the Period	7.70	3.55	8.06	3.70
<b>Cash &amp; Cash Equivalents at the End of the Period</b>	<b>5.48</b>	<b>7.70</b>	<b>3.55</b>	<b>8.06</b>



# Dividend Payout History

Dividend Pay-out

9%      20%      7%      5%      18%



The company has Consistently declared dividends Year-on-Year

Company:	Investor Relations Advisors:
 The logo for BANSWARA SYNTEX LIMITED, featuring a stylized orange and blue bird-like graphic to the left of the text "BANSWARA SYNTEX LIMITED" in a blue serif font.	 The logo for Strategic Growth Advisors (SGA), featuring the letters "SGA" in a large blue serif font, followed by "Strategic Growth Advisors" in a smaller blue serif font, with a horizontal line underneath.
<b>Banswara Syntex Limited</b>	<b>Strategic Growth Advisors Pvt. Ltd.</b>
CIN: L24302RJ1976PLC001684	CIN: U74140MH2010PTC204285
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